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No. 96-1768

Supreme Court, U. S.

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IN THE

Supreme Court of the United States

OCTOBER TERM, 1997

C. ELVIN FELTNER, JR.,  
*Petitioner,*

v.

COLUMBIA PICTURES TELEVISION, INC.,  
*Respondent.*

On Writ of Certiorari to the  
United States Court of Appeals  
for the Ninth Circuit

Motion for leave to file *Amicus Curiae* Brief and  
Brief of Howard B. Abrams  
as *amicus curiae* in support of Petitioner

*Of Counsel*

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### **QUESTION PRESENTED FOR REVIEW**

Whether 17 U.S.C. Section 504(c) permits or requires a jury trial in actions for statutory damages for copyright infringement.

The other questions presented for review in this case are not addressed in this brief.

**Service on Attorneys of Record**

Service of a copy of this Motion for leave to file *Amicus Curiae* Brief and Brief of Howard B. Abrams as *amicus curiae* in support of Petitioner was made upon the attorneys of record for the petitioner and the respondent by sending copies via Airborne Express to John G. Roberts, Jr., Hogan & Hartson L.L.P., 555 Thirteenth Street N.W., Washington, D.C., 20004 (Airborne Express airbill number 4078882570), the attorney for the Petitioner, and to Henry J. Tashman, Davis, Wright & Tremaine, 1000 Wilshire Boulevard, Suite 600, Los Angeles, California, 90017 (Airborne Express airbill number 4078882474) on Wednesday, November 12, 1997, for delivery on the morning of Thursday, November 13, 1997.

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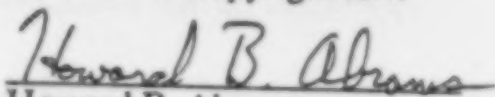
Motion for Leave to File *Amicus Curiae* Brief and  
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**MOTION FOR LEAVE TO FILE  
AMICUS CURIAE BRIEF**

Pursuant to Rule 37.4, Howard B. Abrams requests leave of this court to file the following amicus curiae brief in support of the petitioner in the case of C. Elvin Feltnner, Jr., Petitioner, v. Columbia Pictures Television, Inc., Respondent, No. 96-1768, now pending before this Court. In support of this motion, makes the following representations to this Court:

1. He is a member of the bar of this Court.
2. He has received permission to file this brief from John Glover Roberts, Jr., the attorney for the petitioner.
3. He called the office Henry J. Tashman, the attorney for the respondent, (213) 229-9600, on Monday, November 10, 1997, and on Tuesday, November 11, 1997, to request permission to file this brief but Mr. Tashman was out of the office. Thus permission to file this brief has not been received from the attorney for the respondent.
4. The amicus curiae is a Professor of Law who has taught, written and specialized in copyright law.

  
Howard B. Abrams  
Wednesday, November 12, 1997

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### *Statutes*

#### United States Statutes currently in force

17 U.S.C. § 504(c) (1994) - pp. 2, 18, 20, 28.

#### Former United States Statutes

Act of May 31, 1790, ch. 15, 1 Stat. 124 (Peters ed. 1845) - pp. 2, 5.  
*Id.*, § 2, 1 Stat. 124-25 - p. 6.  
*Id.*, § 6, 1 Stat. 125-26 - p. 7 n.5.

Act of April 29, 1802, ch. 36, 2 Stat. 171 (Peters ed. 1845) - p. 8.  
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*Id.* § 3, 2 Stat. 171-72 - p. 8.

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*Id.*, § 6, 4 Stat. 437-38 - pp. 8, 13.  
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HOUSE COMM. ON THE JUDICIARY, COPYRIGHT LAW REVISION—REGISTER OF THE REGISTER OF COPYRIGHTS ON THE GENERAL REVISION OF THE COPYRIGHT LAW 102-06 (Comm. Print 1961) - p. 22.

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*Beacon Theatres, Inc. v. Westover*, 359 U.S. 500 (1959) - pp. 3 n.2, 24.

*Bennett v. Boston Traveller Co.*, 101 F. 445 (2d Cir. 1900) - p. 12.

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*Blunt v. Patten*, 3 F. Cas. 762 (C.C.S.D.N.Y. 1828) (No. 1579) - p. 15.

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*Bolles v. Outing Co.*, 175 U.S. 262 (1899) - p. 14.

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*Burrow-Giles Lithographic Co. v. Sarony*, 111 U.S. 53 (1884), aff'g *Sarony v. Burrow-Giles Lithographic Co.*, 17 F. 591 (C.C.S.D.N.Y. 1883) - p. 16.

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*Chappell & Co. v. Palermo Cafe, Inc.*, 249 F.2d 77 (1st Cir. 1957) - pp. 23-25.

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*F.W. Woolworth Co. v. Contemporary Arts, Inc.*, 344 U.S. 228 (1952), aff'g 193 F.2d 162 (1st Cir. 1951), aff'g *Contemporary Arts, Inc. v. F. W. Woolworth Co.*, 93 F. Supp. 739 (D. Mass. 1950) - p. 25-26.

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*Parsons v. Bedford*, 28 U.S. (3 Pet.) 433 (1830) - p. 4.

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*Stevens v. Gladding*, 58 U.S. (17 How.) 447 (1854) - p. 14.

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35A *WORDS AND PHRASES* 617 (permanent ed. 1963) - p. 7 n.4.

CONSTITUTIONAL AND  
STATUTORY PROVISIONS

*Seventh Amendment, United States Constitution:*

In Suits at common law, where the value in controversy shall exceed twenty dollars, the right of trial by jury shall be preserved.

*Statutory Provisions:*

Due to time constraints and the number and length of the statutory provisions involved, the amicus curiae was not able to type in the text of the relevant statutory provisions in time to file this brief in a timely fashion. If the typing can be completed in a timely manner, the amicus curiae plans to file a supplement to this brief setting forth the text of the statutory provisions cited in the brief.



## INTEREST OF THE AMICUS CURIAE

The *amicus curiae* is a Professor of Law at the University of Detroit Mercy School of Law who has specialized, written\* and taught in the area of copyright law. This brief is submitted in the belief that the courts which have denied jury trials on the issue of statutory damages have been unaware of the historical roots of the contemporary statutory damages provision in the purely legal remedies of the earlier American Copyright Acts which could be determined by a jury under pre-merger custom.

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\* HOWARD B. ABRAMS, THE LAW OF COPYRIGHT (2 vol. 1991, 1992, 1993, 1994, 1995, 1996, 1997) (treatise originally published by Clark Boardman Callaghan which subsequently merged with Thomson and Thomson, which in 1996 merged with West Publishing Company to form West Group Publishing); COPYRIGHT (1992) (casebook co-authored with Sheldon Halpern and David Shipley); *Standards of Qualification for the Protection of Literary and Artistic Property*, Académie Internationale de Droit Comparé, Rapports Généraux, XIVe Congrès International, Institut Hellénique de Droit International et Étranger, Athènes (International Academy of Comparative Law, General Reports, XIVth International Congress, Hellenic Institute of International and Foreign Law, Athens) 449-456 (1994); *Originality and Creativity in Copyright Law*, 55 LAW & CONTEMP. PROBS. 3-44 (No. 2, Spring 1992); *Authors' Rights in Light of New Technology*, 38 AMERICAN JOURNAL OF COMPARATIVE LAW 283-323 (Supp. 1990) (Report for the United States to the International Academy of Comparative Law on "Authors' Rights in Light of New Technology" for the XIIIth International Congress of Comparative Law held in Montréal, Canada, August, 1990); *Who's Sorry Now? Termination Rights and the Derivative Works Exception*, 62 UNIVERSITY OF DETROIT LAW REVIEW 181-243 (1985); *Copyright, Misappropriation and Preemption: Constitutional and Statutory Limits of State Law Protection*, 1983 SUPREME COURT REVIEW 509-581; *The Historic Foundation of American Copyright Law: Exploding the Myth of Common Law Copyright*, 29 WAYNE LAW REVIEW 1119-1191 (1983); *Goldstein v. California: Sound, Fury and Significance*, 1975 SUPREME COURT REVIEW 147-187 (co-authored with Robert H. Abrams).

## SUMMARY OF ARGUMENT

The Seventh Amendment requires that issues of statutory damages be tried to a jury whenever a party makes a timely demand for a jury trial because the remedy is a legal rather than an equitable remedy. In *Ross v. Bernhard*, 396 U.S. 531 (1970), set forth three tests to determine whether there was a right to a jury trial:

As our cases indicate, the "legal" nature of an issue is determined by considering, first, the pre-merger custom with reference to such questions; second, the remedy sought; and, third, the practical abilities and limitations of juries. Of these factors, the first, requiring extensive and possibly abstruse historical inquiry, is obviously the most difficult to apply.

*Id.* at 538, n. 10 (1970).

The legal nature of statutory damages is conclusively demonstrated as a matter of "pre-merger custom" by tracing the historic evolution of the statutory damages provision of the current Copyright Act, 17 U.S.C. § 504(c) (1994), from the first American Copyright Act, Act of May 31, 1790, ch. 15, 1 Stat. 124 (Peters ed. 1845), to the present day. *Infra* Argument §§ I-V. Today's statutory damages are the direct descendants of the *qui tam* recoveries in legal actions provided by the earlier American copyright acts.

The legal nature of the statutory damages remedy also points to the legal rather than equitable character of this remedy, *infra* Argument § VI, and the limitation of the Seventh Amendment's applicability based on the "practical abilities and limitations of juries" does not apply to statutory damages. *Infra* Argument § VII.

## ARGUMENT

### I. The Constitutional Background

Determination of statutory damages under section 504(c) of the Copyright Act, involving as it does one of the fundamental protections of the Bill of Rights—the Seventh Amendment's guarantee of a jury trial—raises a Constitutional rather than a purely copyright issue.<sup>1</sup>

The Seventh Amendment of the U.S. Constitution provides that "In Suits at common law, where the value in controversy shall exceed twenty dollars, the right of trial by jury shall be preserved." U.S. Const. amend. 7. A series of cases arising after the merger of law and equity under the Federal Rules of Civil Procedure, presented the Supreme Court with the question of how to preserve the Constitutional right to a jury trial in an integrated court system.<sup>2</sup>

As the philosophical basis for its position, the Court has relied on the statement:

[The right to a jury trial extends] not merely suits, which the *common* law recognized among its old and settled proceedings, but suits in which *legal* rights were to be ascertained and determined, in contradistinction

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1. The argument made in this brief is largely derived from the arguments on this issue presented in the author's treatise. 2 HOWARD B. ABRAMS, *THE LAW OF COPYRIGHT*, § 16.04[D] (1997).

2. The trio of *Ross v. Bernhard*, 396 U.S. 531 (1970), *Dairy Queen, Inc. v. Wood*, 369 U.S. 469 (1962), and *Beacon Theatres, Inc. v. Westover*, 359 U.S. 500 (1959), are usually regarded as the seminal decisions in the Supreme Court's analysis of the Seventh Amendment's guarantee of a jury trial after the merger of law and equity in the federal courts. See also *Tull v. United States*, 481 U.S. 412 (1987); *Pemell v. Southall Realty*, 416 U.S. 363 (1974); *Curtis v. Loether*, 415 U.S. 189 (1974).

to those where equitable rights alone were recognized, and equitable remedies were administered . . . In a just sense, the amendment then may well be construed to embrace all suits which are not of equity and admiralty jurisdiction, whatever may be the peculiar form which they may assume to settle legal rights.

*Parsons v. Bedford*, 28 U.S. (3 Pet.) 433, 447 (1830) (original emphasis); *quoted in Ross v. Bernhard*, 396 U.S. 531, 533 (1970), and in *Curtis v. Loether*, 415 U.S. 189, 191 (1974).

From this premise, the Supreme Court in *Ross v. Bernhard*, 396 U.S. 531 (1970), set out the three tests to be used to determine whether there was a right to a jury trial:

As our cases indicate, the "legal" nature of an issue is determined by considering, first, the pre-merger custom with reference to such questions; second, the remedy sought; and, third, the practical abilities and limitations of juries. Of these factors, the first, requiring extensive and possibly abstruse historical inquiry, is obviously the most difficult to apply.

*Id.* at 538, n. 10 (1970). Similarly, in *Tull v. United States*, 481 U.S. 412 (1987), the Court described the inquiry as a two step process:

First, we compare the statutory action to 18th Century actions brought in the courts of England prior to the merger of the courts of law and equity. Second, we examine the remedy sought and determine whether it is legal or equitable in nature.

*Id.* at 417-18 (citations omitted).<sup>3</sup> Using historical inquiry to find the closest analog to a modern statutory

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3. It seems reasonable to infer that *Tull* listed on the first two tests in *Ross* because they are concerned with whether an action

cause of action in the proceedings in English courts at the time of the Seventh Amendment was adopted was given perhaps its fullest application in *Pernell v. Southall Realty*, 416 U.S. 363 (1974), where the Court engaged into a detailed and lengthy inquiry into the form of proceedings a landlord would use to evict a tenant for nonpayment of rent in London in 1791 to determine that a jury trial was required by the Seventh Amendment. *Id.* at 370-81.

Thus the first step in determining whether there is a right to a jury trial on the issue of statutory damages is to inquire as to the custom of the courts prior to the merger of law and equity.

## II. The Evolution of Statutory Damages: 1789-1909

Tracing the evolution of monetary recoveries for infringement of copyright under American copyright statutes demonstrates that the statutory damage provision of the present Copyright Act is the direct descendant of the strictly legal monetary awards provided under the earlier British and American copyright statutes. Thus the first of the three tests for the right to a jury trial under the Seventh Amendment is satisfied.

### A. 1790-1856: *Qui Tam* Recoveries as the Monetary Recoveries for Copyright Infringement

#### 1. The Act of 1790: The First American Copyright Act

What we know today as statutory damages evolved directly from the earliest form of monetary awards allowed in copyright cases. The original American Copyright Act, Act of May 31, 1790, ch. 15, 1 Stat. 124 (Peters ed. 1845), adopted by the First Congress in 1790, pro-

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qualifies for the Seventh Amendment's guarantee of a jury trial while the third test is designed to eliminate actions that would otherwise qualify.



vided only one form of monetary relief against infringers of published works:

[E]very such offender and offenders shall also forfeit and pay the sum of fifty cents for every sheet which shall be found in his or their possession, either printed or printing, published, imported or exposed to sale, contrary to the true intent and meaning of this act, the one moiety thereof to the author or proprietor of such map, chart, book or books who shall sue for the same, and the other moiety thereof to and for the use of the United States, *to be recovered by action of debt* in any court of record in the United States, wherein the same is cognizable.

*Id.* § 2, 1 Stat. 124-25 (emphasis added). This provision was derived from the first English copyright act, the famous Statute of Anne. 8 Anne c. 19 (1710). The Statute of Anne provided the following monetary assessment against an infringer:

[S]uch offender or offenders shall forfeit one penny for every sheet which shall be found in his, her or their custody, either printed or printing, published, or exposed to sale, contrary to the true intent and meaning of this act; the one moiety thereof to the Queen's most excellent majesty, her heirs and successors, and the other moiety thereof to any person or persons that shall sue for the same, to be recovered in any of her Majesty's courts of record at Westminster, by action of debt, bill, plaint, or information, in which no wager of law, essoin, privilege, or protection, or more than one imparlance shall be allowed.

*Id.* § 1. The Statute of Anne thus provided the historical basis for the monetary remedy of a *qui tam*<sup>4</sup> recovery for

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4. "Qui tam" translates from the Latin as "who as well" and is

infringement of published works that was embodied in the early American copyright acts.

For purposes of the Seventh Amendment inquiry, it is indisputable that an action for money under this provision was an "action of debt," an action that indisputably belongs to the common law rather than to equity. Moreover, *qui tam* recoveries, the form of remedy granted by the contemporaneous English statute, are also indisputably of a legal nature.

Four characteristics of this remedy are important to note. First, and perhaps most importantly, this was the only form of monetary recovery from an infringer that was permitted for the infringement of a published work.<sup>5</sup> Second, any money recovered from the infringer is divided equally between the United States and the author or copyright owner, the essence of a *qui tam* recovery. Third, only the proprietor of the copyright could bring the action, thus differing from most *qui tam* actions where any citizen or even the government could bring the action. Fourth, there is a mechanical, "multiplication table" approach to calculating the amount of the monetary judgment; legislatively fixed amount of money

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shorthand for the Latin phrase "*qui tam pro domino rege quam pro ipso in hac parte sequitur*," which translates as "who sues on behalf of the King as well as for himself." The name *qui tam* action is applied to actions under statutes that authorize individuals to bring the action and divide the penalty recovered between the person bringing the action and the state. The designation *qui tam* action arose from the fact that the plaintiff sued "as well" for the state as for himself or herself. BLACK'S LAW DICTIONARY 1251 (6th ed. 1990). See also 35A WORDS AND PHRASES 617 (permanent ed. 1963); 70 C.J.S. *Penalties* § 11 (1987).

5. Purely compensatory damages were available only for infringement of unpublished manuscripts in an action on the case. Act of May 31, 1790, ch. 15, § 6, 1 Stat. 124, 125-26 (Peters ed. 1845).



is multiplied by the number of sheets of the infringing book, map or chart in the infringer's possession to determine the sum of money for which the infringer is liable. This multiplication table approach only gradually disappears from the monetary remedies for copyright infringement. It is also important to note that the original copyright act made no provision for any form of equitable relief, a feature that was not added to the copyright laws until the Act of February 15, 1819, ch. 19, 3 Stat. 481 (Peters ed. 1846).

## 2. From the Act of 1802 to the Act of 1856

Until the middle of 19th Century, succeeding copyright statutes continued the same scheme of allowing money judgments for the infringement of a published work only in an amount determined by multiplying a congressionally fixed sum by the number of infringing sheets, which sum would then be divided between the United States and the author or proprietor. The Act of April 29, 1802, ch. 36, 2 Stat. 171 (Peters ed. 1845), which added "historical or other print or prints" to the subject matter protected by copyright, *id.* § 2, 2 Stat. 171, provided that the amount of money recoverable for infringements of such prints was to be \$1.00 per sheet. *Id.* § 3, 2 Stat. 171-72. Although it did not refer to this recovery as an "action of debt," it continued to divide any amount recovered between the United States and the copyright owner. *Id.*

The Act of 1831, Act of February 3, 1831, ch. 16, 4 Stat. 436 (Peters ed. 1846), a complete revision of the Copyright Act, continued the monetary recovery of fifty cents per sheet of any infringing books, again stating that any such sum was "to be recovered by action of debt," and continued to divide any monetary recoveries between the United States and the copyright owner. *Id.* § 6, 4 Stat. 437-38. For "any print, cut, or engraving, map, chart, or musical composition," the amount recoverable was fixed at one dollar per sheet, "to be recovered in any court having competent jurisdiction" and divided equally

between the United States and the copyright owner. *Id.* § 7, 4 Stat. 438. Unpublished manuscripts were again protected separately, and damages for their infringement could be sued for "by a special action on the case founded upon this act." *Id.* § 9, 4 Stat. 438. Again, the legal nature of these remedies cannot seriously be questioned.

The year 1819 saw the adoption of a statute authorizing the circuit courts of the United States "to grant injunctions, according to the course and principles of courts of equity, to prevent violation of the rights of any authors or inventors." Act of February 15, 1819, ch. 19, 3 Stat. 481 (Peters ed. 1846). This act was the first statutory inclusion of any form of equitable relief for infringement of copyright. Relevant to the Seventh Amendment inquiry, it must be noted that this statute did not provide any form of monetary recovery in equity whatsoever.

## B. The Introduction of Compensatory Damages

### 1. The Act of 1856

The first major variation in this pattern of multiplication table calculation of *qui tam* recoveries as the monetary remedy for copyright infringement came in 1856 when Congress extended copyright protection to the public performance of any "dramatic composition." Act of August 18, 1856, 11 Stat. 138 (Minot & Sanger ed. 1859). Specifically referring to the monetary remedy for infringing performances as "damages," the Act provided for a recovery by the copyright owner of a sum of "not less than one hundred dollars for the first, and fifty dollars for every subsequent [infringing] performance." *Id.*, 11 Stat. 139. This scheme differed from the previous approach to monetary recoveries in two respects. First, the copyright owner received the entire award which the statute characterized as "damages;" the United States was no longer entitled to one-half of the recovery. Second, the amount determined by the multiplication table approach was the statutorily required minimum that could be awarded, but was not a maximum.

*Brady v. Daly*, 175 U.S. 148 (1899), held that monies awarded under the direct and near verbatim descendant of this provision, Rev. Stat. § 4966, were compensatory damages rather a form of *qui tam* recovery and that the 1856 Act and its progeny had "nothing in the nature of a *qui tam* action about it." 175 U.S. 154-55.

The importance of *Brady* to the present case is that the Brady, the plaintiff in error, was arguing that an award of damages for infringing a play based on the statutory minimum was a penalty and thus the circuit court lacked jurisdiction over the action which could only be exercised by a district court.<sup>6</sup> The Supreme Court stated it was unnecessary to determine whether the district courts had exclusive jurisdiction over the *qui tam* monetary awards under the other sections of the then current Copyright Act, 175 U.S. at 152-53, holding that the monetary awards provided by the 1856 Act and preserved in Rev. Stat. § 4966 (multiplication table minimum with no maximum, all monies going to the copyright owner), were compensatory damages. 175 U.S. 154-57. Thus *Brady* clearly indicated that these progenitors of today's statutory damages were both legal remedies. *Brady* itself was an appeal from a action brought at law in which a jury was voluntarily waived. 175 U.S. at 151.

## 2. The Act of 1870: The First Allowance of Purely Compensatory Damages for Infringement of a Published Book

The Act of July 8, 1870, ch. 230, §§ 85-11, 16 Stat. 212 (Sanger ed. 1871), was the next complete revision of Copyright Act, and contained a jumble of provisions for monetary relief. For the first time, the statute provided compensatory damages for infringement of a published

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6. This case arose in the days when there were two courts of original jurisdiction in the federal system, the district courts and the circuit courts.

book that were independent of any multiplication table. *Id.* § 99, (Any unauthorized person who would "print, publish, or import, or, knowing the same to be so printed, published or imported, shall sell or expose to sale any copy of such book, such offender . . . shall also forfeit and pay such damages as may be recovered in a civil action."). For "any map, chart, musical composition, print, cut engraving, or photograph, or chromo, or of the description of any painting, drawing, statue, statuary, or model or design intended to be perfected and executed as a work of the fine arts," the prior scheme of monetary awards was continued. The amount was statutorily fixed at one dollar for each sheet containing an infringing copy, except "in case of a painting, statue or statuary," for which the amount was fixed at ten dollars for each copy, and the amount thus determined was again divided equally between the copyright owner and the United States. *Id.* § 100. The damage provisions for infringing performances of "any dramatic composition" were identical to those of the 1856 Act: a minimum of one hundred dollars for the first infringing performance plus fifty dollars for each subsequent infringing performance, no maximum recovery specified by statute, and the entire amount recovered belonged to the copyright owner. *Id.* § 101. As before, compensatory damages were provided for the infringement of an unpublished manuscript. *Id.* § 102. Under the Revised Statutes of 1873-74, the relevant provisions of the 1870 Act were renumbered but remained essentially unchanged. Compare Act of July 8, 1870, ch. 230, §§ 99-102, 16 Stat. 212 (Sanger ed. 1871), with Rev. Stat. title 60, ch. 3, §§ 4964-4967, printed in THE REVISED STATUTES OF THE UNITED STATES, PASSED AT THE FIRST SESSION OF THE FORTY-THIRD CONGRESS, 1873-'74 957-60 (2d ed. 1878). The amendment of these sections by the Act of March 3, 1891, ch. 565, §§ 7-9, 26 Stat. 1106, made no change in the relevant provisions for monetary awards against infringers.



### 3. The Act of 1895: Correcting for Abusive Overcompensation

Using the multiplication table approach as a method to calculate either *qui tam* recoveries or compensatory damages to an injured copyright owner rather than to assess a quasi-criminal penalty raises the question of systematically undercompensating or overcompensating the copyright owner. In 1895, Congress addressed the problem of overcompensation, which arose as the perhaps inevitable result of technical progress in reproductive technology. The monetary awards recoverable for infringement of various works of visual art remained calculated at a rate of one dollar for every infringing sheet, with the award divided equally between the copyright owner and the United States; however, for photographs a maximum award of \$5,000 and a minimum award of \$100 was superimposed on the calculation, while a maximum award of \$10,000 and a minimum of award \$250 was superimposed on the recovery provided for infringing copies of a variety of other types of works of visual art. Act of March 2, 1895, ch. 194, 29 Stat. 545.

The type of problem this amendment contemplated can be illustrated by the case of a daily newspaper printing an infringing photograph, engraving or illustration. A copy of the newspaper would sell for only a tiny fraction of the statutory amount prescribed for each infringing copy of the work. Thus a newspaper selling 30,000 copies for one or two cents a copy (this was 1895), could be liable for \$30,000 for inadvertently printing an infringing photograph even though the total income derived from the sale of the papers was only \$600, and the overwhelming majority of the newspaper's content had nothing to do with the infringement. Cases such as *Bennett v. Boston Traveler Co.*, 101 F. 445, 449 (2d Cir. 1900) (apparently tried to a jury, with the trial court "directing a verdict for the defendant"), and *Bennett v. Carr*, 96 F. 213, 214 (2d Cir. 1899) ("a jury awarding a verdict of \$10,000"), il-

lustrate the potential problem, even though they were decided on grounds unrelated to the calculation of the amount of any monetary recovery, possibly to avoid the damage issue where it led to excessive results.

This critical historical importance of this provision is that it establishes the pre-merger legal nature of damages calculated in the same manner as the "in lieu" damages provided in the 1909 Act (a multiplication table approach subjected to maximum and minimum statutory limits to the recovery) and continued in the 1976 Act with the dropping of the multiplication table approach.

### III. The Legal Nature of the Monetary Awards from 1790 to 1909

The critical inquiry concerning the Seventh Amendment right to a jury trial on the issue of statutory damages is whether actions for monetary recovery brought under any of the provisions analyzed above, the progenitors of today's statutory damages provisions, were brought as legal or as equitable actions. During the period prior to the 1909 Copyright Act when there was a strict separation of law and equity, *the inescapable fact is that such actions were routinely brought as legal rather than equitable actions, and they were routinely tried to a jury.*

This can be demonstrated by a review of the copyright actions for monetary awards brought from the adoption of the original American Copyright Act in 1790 through the adoption of the 1909 Act. These decisions are easier to find than it might first appear. The Copyright Office has collected and published all of these decisions in a single set of four volumes, *COPYRIGHT OFFICE, DECISIONS OF THE UNITED STATES COURTS INVOLVING COPYRIGHT AND INTELLECTUAL PROPERTY 1789-1909 WITH AN ANALYTICAL INDEX*, *COPYRIGHT OFFICE BULLETINS* Nos. 13-16 (1980), saving the tremendous amount of time and labor that would otherwise be required to locate all of these decisions. Although there are too many decisions to discuss or even

list each one individually, several illustrate the legal nature of these remedies quite clearly.<sup>7</sup>

Particular note should be taken of *Stevens v. Gladding*, 58 U.S. (17 How.) 447, 453-455 (1854), which expressly held the monetary awards provided by the then current Copyright Act could not be awarded by a court of equity. Similarly in *Backus v. Gould*, 48 U.S. (7 How.) 798 (1849), involving "a qui tam action . . . brought under the sixth section of the Act of 1831," 48 U.S. at 811; Act of February 3, 1831, ch. 16, § 6, 4 Stat. 436, 437-38 (Peters ed. 1846), the Supreme Court remanded an award for a new trial due to faulty jury instructions. In *Bolles v. Outing Co.*, 175 U.S. 262 (1899), the Supreme Court ruled that Rev. Stat. § 4965 was "a substantially copy" of § 6 of the 1831 Act, 175 U.S. 265, and the case before it "is clearly controlled" by *Backus*." 175 U.S. at 266. The famous copyright case of *Bleistein v. Donaldson Lithographing Co.*, 188 U.S. 239 (1903) (Holmes, J.), rev'g *Courier Lithographing Co. v. Donaldson Lithographing Co.*, 104 F. 993 (6th Cir. 1900), aff'g *Bleistein v. Donaldson Lithographing Co.*, 98 F. 608 (C.C.D. Ky. 1899), involved a suit for a monetary award under Rev. Stat. § 4965, which provided both a multiplication table recovery of \$1.00 per sheet of infringing copies limited by a maximum recovery of \$5,000.00 and a minimum recovery of \$100.00, thus making it a model of for the statutory damage provisions of the 1909 Act. In that case, the trial court had "instruct[ed] the jury to find a verdict for [the defendant]," 98 F. at 613, a matter which caused no comment by the Supreme Court.

A recurring pattern throughout the period before 1909 is the bringing of separate suits at law for recovery of

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7. Due to time limitations, it has not been possible for the author of this brief to read all of the decisions printed in these volumes, therefore the author's review of copyright cases from 1790 to 1909, while substantial, has not been exhaustive.

money under the provisions of the acts discussed above and in equity for injunctive relief. For example, *Blunt v. Patten*, 3 F. Cas. 762 (C.C.S.D.N.Y. 1828) (No. 1579), a case that could only have sought damages under § 2 of the Act of May 31, 1790, ch. 15, § 2, 1 Stat. 124, 124-25 (Peters ed. 1845), was tried to a jury. The parallel action in equity, *Blunt v. Patten*, 3 F. Cas. 763 (C.C.S.D.N.Y. 1828) (No. 1580), denied the application for an injunction pending the outcome of action at law, then issued one following a jury verdict for the plaintiff. Similarly, the Supreme Court decided an appeal from an equitable action in *Webster v. Daly*, 163 U.S. 155 (1896), and decided an appeal from an award of damages under Rev. Stat. § 4966 in the corresponding legal action in *Brady v. Daly*, 175 U.S. 148 (1899) (jury trial waived) without the slightest hint that the action for damages could be brought anywhere other than a court of law. *Brady* ruled that an action to recover a monetary award under Rev. Stat. § 4966 should be regarded as an action for damages and "has nothing in the nature of a qui tam action about it, we think it provides for the recovery of neither a penalty nor a forfeiture." 175 U.S. at 154-55. *Brady* also discusses the English equivalent of Rev. Stat. § 4966, the Statute of 3 & 4 William IV, c. 15, and its interpretation in *Chatterton v. Cave*, 3 App. Cas. 483 (1875), reaching the same conclusion as *Brady*. 175 U.S. at 157.

Perhaps the most conclusive demonstration of the legal nature of these remedies for purposes of the Seventh Amendment analysis is that actions under these statutory provisions were routinely tried at law, whether to a jury or in a bench trial, and not in equity without the slightest hesitation or question on the part of any court or litigant. Most cases at law simply do not even discuss the issue but merely mention in passing that the case was tried to a jury or was tried without a jury rather than in equity. Indeed, this automatic classification of such actions as legal in the days of separate law and equity



courts and the very lack of discussion over whether the statutory monetary remedies were legal or equitable, is the most convincing proof that these monetary recoveries were legal in nature was beyond dispute. See, e.g., *Caliga v. Inter Ocean Newspaper Co.*, 212 U.S. 182 (1909), aff'g 157 F. 186 (7th Cir. 1907) (action for award under Rev. Stat. § 4965, jury verdict directed); *Burrow-Giles Lithographic Co. v. Sarony*, 111 U.S. 53 (1884), aff'g *Sarony v. Burrow-Giles Lithographic Co.*, 17 F. 591 (C.C.S.D.N.Y. 1883) (damages under Rev. Stat. § 4965); *Dwight v. Appleton*, 8 F. Cas. 183 (C.C.S.D.N.Y. 1843) (action of debt *qui tam*, presumably brought under 1831 Act, tried to a jury); but see *Fraser v. Jacobs*, 1789-1909 Copyright Dec. (13 Copyright Office Bull.) 1020, 1022 (C.C.N.D. Ill. 1897) (issuing a permanent injunction and awarding \$100 "being the minimum damages fixed by the statutes for the unauthorized performance of the complainant's said copyrighted play" without objection by the defendant; listed in the Copyright Office Bulletin as an unreported case).

#### IV. Statutory Damages Under the Copyright Acts of 1909 and 1976

The remaining link in the Seventh Amendment analysis is to demonstrate the lineal ancestry of these provisions with our contemporary statutory damage provisions. In this inquiry, particular attention must be given to the provisions of the 1909 Act, which merged law and equity for copyright cases roughly 29 years prior to this being done for all federal cases.

##### A. The 1909 Act

##### 1. The Merger of Law and Equity

Of critical relevance to the Seventh Amendment issue was the merger of law and equity for cases arising under the 1909 Copyright Act, section 27 of which provided: "That the proceedings for an injunction, damages, and profits, and those for seizure of infringing copies, plates, molds, matrices, and so forth, aforementioned, may be

united in one action." Act of March 4, 1909, ch. 320, § 27, 35 Stat. 1075, 1082 (1909). When the Copyright Act was codified in 1947, Act of July 30, 1947, ch. 391, 61 Stat. 652 (hereinafter sometimes referred to as "17 U.S.C. (1909 Act)", this provision was omitted as the Federal Rules of Civil Procedure had by then merged law and equity for all forms of civil action.

This merger of law and equity for copyright cases took place some 29 years prior to the merger of law and equity for other forms of civil action with the adoption of the Federal Rules of Civil Procedure. As of 1909, the same court could decide both legal and equitable issues in the same proceeding without worrying about the difference except for the question of the right to a jury trial. Thus inquiry into "pre-merger custom" under the Supreme Court's Seventh Amendment analysis must focus on the period from 1790 to 1909.

##### 2. Statutory Damages Under the 1909 Act

The adoption of the 1909 Act, Act of March 4, 1909, ch. 320, 35 Stat. 1075 (1909), made several major changes in the provisions for statutory damages. First, *qui tam* recoveries were abolished; the copyright owner retained all monetary awards without any share going to the United States. Act of March 4, 1909, ch. 320, § 25, 35 Stat. 1075, 1081 (codified as amended at 17 U.S.C. § 101(b) (1909 Act)). Second, purely compensatory damages described as "such damages as the copyright proprietor may have suffered due to the infringement," *id.*, could be recovered for all forms of copyrightable works, not just unpublished works and published books. As an alternative, the copyright owner could recover "in lieu of actual damages and profits, such damages as to the court shall appear to be just," *id.*, i.e., statutory damages. Maximum and minimum limits on all statutory damage awards were set,<sup>8</sup> and the multiplication table approach to

8. The limits were a \$250 minimum and a \$5,000 maximum. Separate maximum and minimum limit of \$50 and \$200 were estab-

determining the amount of a monetary award was retained, but in a subordinate role to the maximum and minimum limitations. The 1909 Act clearly echoed the amounts provided in previous statutes. The amounts to be awarded were ten dollars for every infringing copy of "a painting, statue or sculpture," *id.* First subsection; one dollar for every infringing copy of any work other than a painting, statue or sculpture, *id.* Second subsection; one hundred dollars for the first and fifty dollars for each subsequent infringing performance of a "dramatic or dramatico-musical or choral or orchestral composition," *id.* Fourth subsection; ten dollars for each infringing performance of "other musical compositions," *id.*; fifty dollars for every infringing delivery of a "lecture, sermon or address," *id.* Third subsection. The maximum limit on an award of statutory damages did not apply to infringements occurring after actual written notice was served on the defendant. *Id.*

#### B. The 1976 Act

Statutory damages assumed their current form in section 504(c) of the 1976 Copyright Revision Act. 17 U.S.C. § 504(c) (1994). The essential change from the 1909 Act was the complete elimination of any multiplication table calculation of damages and the placing of a maximum limit on statutory damages for willful infringement. 17 U.S.C. § 504(c)(2) (1994).

#### V. The Results of the Historical Inquiry

What the historical inquiry clearly shows is that the closest equivalent to our contemporary statutory damages existing in 1791 was a strictly legal rather than equitable

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(footnote continued from previous page)

lished for newspaper reproduction of a photograph. In 1912, a maximum recovery of one hundred dollars for innocent infringement of an "undramatized or non-dramatic work by means of motion pictures" was added. Act of August 24, 1912, ch. 356, 37 Stat. 488.

form of action. Indeed, this legal remedy was the lineal ancestor of our statutory damages provisions. Thus the first and most important test for the applicability of the Seventh Amendment's guarantee of trial by jury under *Ross v. Bernhard*, 396 U.S. 531, 538 n. 10 (1970), "the pre-merger custom with reference to such questions," must answered in the affirmative.

#### VI. The Nature of the Remedy is Legal Rather Than Equitable

Although the historical inquiry should be conclusive on the issue of the right to a jury trial on the issue of statutory damages, the alternate tests announced by the Supreme Court for use if the historical inquiry was inconclusive will be examined.

##### A. The Arguments for Statutory Damages Being a Legal Remedy

In determining if there is a right to a jury trial under the Seventh Amendment, the second inquiry mandated by the Supreme Court in *Ross v. Bernhard*, 396 U.S. 531 (1970), is the nature of "the remedy sought." *Id.* at 538 n. 10. Apart from the fact that the pre-merger copyright cases almost invariably treated statutory damages and their predecessors as a legal remedy, there are persuasive reasons for viewing statutory damages as legal even outside of the historical context and can be quickly stated. First, there is no doubt but that an award of money as compensation for an injury, such as a remedy for the tort of copyright infringement, is typical of a legal remedy rather than an equitable one. Second, the award of statutory damages is an alternative rather than a cumulative remedy for the plaintiff's actual damages, a clearly legal remedy. Third, although the amount of statutory damages may be in the court's discretion, their awarding requires an election by the copyright owner. Moreover, the awarding of statutory damages is not wholly discretionary as the minimum and maximum award limitations must be observed. Finally, the resemblance between



statutory and punitive damages suggests these are legal remedies.

**B. The Arguments Against Statutory Damages Being a Legal Remedy**

**1. The Statutory Language**

The principal argument for treating statutory damages as equitable, is that the statute states the "court" shall award "statutory damages" in an amount "as the court considers just" within the statutory maximum and minimum. 17 U.S.C. § 504(c) (1994). This requires reading the word "court" to exclude a jury determination of statutory damages. However, *Curtis v. Loether*, 415 U.S. 189 (1974), the Supreme Court held that an action for the damages provided by a statute was legal rather than equitable even though the statute provided that the "court" should assess the damages. Holding otherwise would permit Congress to deny jury trials in legal actions, thus abrogating the Seventh Amendment, by simply stating the damages were to be awarded by a "court." Thus any determination that places statutory damages outside of the Seventh Amendment's command cannot be solely based on the use of the word "court" in section 504(c).

Moreover, it must be noted that the word "discretion" does not appear in § 504(c)(1) which establishes statutory damages, but only in § 504(c)(2) which permits the maximum statutory damage award to be increased for cases of willful infringement and permits the minimum statutory damage award to be decreased for innocent infringements.

**2. Congressional Intent**

The argument has been made that Congress somehow intended the statutory damage provisions of the 1909 and 1976 Acts to provide an equitable rather than a legal remedy. The fact is that there is simply nothing in the legislative history to support this conclusion. Indeed, at least one passage in the legislative history of the 1909 Act demonstrates that its originators explicitly contemplated

issues of statutory damages being tried to a jury. At joint congressional hearing on amending and consolidated the copyright acts, the following colloquy concerning the "in lieu" damage provision took place between Mr. Wilcox, an attorney representing lithographers and printers who drafted the language that became the in lieu damage provision, and Mr. Steuart, Chairman of the American Bar Association's Copyright Committee, and primary drafter of section 25 of the 1909 Act which merged law and equity for copyright cases:

MR. WILCOX: [I]f the plaintiff sought his remedy on the equity side of the court and asked for an injunction and incidentally for the assessment of profits and damages, or for the substituted damages which are provided for in the second half of that section, then it would be for the court to assess the damages unless it referred that section of assessment of damages to a jury, which is what in many jurisdictions the court would do; . . . . But suppose the plaintiff . . . proceeded directly on the law side of the court, then how could the court exercise its discretion? . . . . The case would then be tried before a court and a jury, and it would be a matter for a jury to pass upon.

. . . .

MR. STEUART: Of course, such questions as were submitted to the jury would have to be passed upon by the jury, and whatever verdict the jury found would leave the court in the position where the court could increase the that if the court saw fit to do so, if the judgment were too small.

*Arguments Before the Committees on Patents of the Senate and House of Representatives on the Bills S. 6330 and H.R. 19853 to Amend and Consolidate the Acts Respecting Copyright, 59th Cong., 2d Sess. 177-78 (1906), reprinted in*

4 LEGISLATIVE HISTORY OF THE 1909 COPYRIGHT ACT, Part J (A. Goldman & E.F. Brylawski, ed. 1976). Not surprisingly, almost all of the consideration of statutory damages was unconcerned with whether such issues were entitled to a jury trial as a matter of right under the Seventh Amendment, as this was the accepted law of the day. To the extent there is any consideration of the question apart from the passage quoted above, it is oblique, showing up in the assumptions and statements that such damages are derived from the damage provisions of the earlier acts which had always been regarded as legal.

The legislative history of section 504(c) of the 1976 Act does not indicate that Congress ever directly considered whether a jury trial should be granted as a matter of right on the issue of statutory damages, although there are a number of indications that Congress saw the statutory damage provisions as a modernized version of the 1909 Act's "in lieu of" damage provisions. See, e.g., HOUSE COMM. ON THE JUDICIARY, COPYRIGHT LAW REVISION—REGISTER OF THE REGISTER OF COPYRIGHTS ON THE GENERAL REVISION OF THE COPYRIGHT LAW 102-06 (Comm. Print 1961); HOUSE COMM. ON THE JUDICIARY, COPYRIGHT LAW REVISION PART 6—SUPPLEMENTARY REPORT OF THE REGISTER OF COPYRIGHTS ON THE GENERAL REVISION OF THE U.S. COPYRIGHT LAW: 1965 REVISION BILL 135-38 (Comm. Print 1965).

### 3. The Case Law Denying the Right to a Jury Trial

The idea that statutory damages are equitable rather than legal first emerged in case law precedents arising after the merger of law and equity under the 1909 Copyright Act. As this subsection of the brief will demonstrate, the seminal case law is simply inaccurate and cannot stand up to analysis.

Given the historical lineage of the current statutory damage provisions, and their direct descent from clearly legal pre-merger custom, it is perhaps surprising that any

court ever considered statutory damages to be equitable in nature. It is worth examining how the view that statutory damages were equitable evolved, as it is demonstrable that its underlying legal analysis is in error.

The seminal denial of the right to a jury trial on the issue of statutory damages came in *Chappell & Co. v. Palermo Cafe, Inc.*, 249 F.2d 77 (1st Cir. 1957), the precedent to which all other denials of jury trials on statutory damages in copyright infringement cases ultimately can be traced. In *Palermo Cafe*, plaintiff brought an infringement suit seeking statutory damages and injunctive relief. The district court denied plaintiff's motion to strike defendant's demand for a jury trial on the issue of statutory damages, even though the plaintiff waived all claims for any recovery exceeding the statutory minimum. *Chappell & Co. v. Palermo Cafe, Inc.*, 146 F. Supp. 867 (D. Mass. 1956). The district court followed *Chappell & Co. v. Cavalier Cafe, Inc.*, 13 F.R.D. 321 (D. Mass. 1952), on the grounds that a precedent from the same district should be respected unless clearly in error, although the court's opinion disagreed with *Cavalier Cafe*'s conclusion that the Seventh Amendment guaranteed a jury trial of statutory damages and suggested the lines of analysis subsequently adopted by the First Circuit. The district court subsequently granted a permanent injunction but held the issue of statutory damages for trial by jury.

On appeal, the First Circuit stated that an award of the minimum statutory damages did not require a jury trial. First, as its principal basis of decision, the court argued that because a district court could determine its own order of proceedings, it could properly resolve the issue of a permanent injunction first, thus rendering the award of statutory damages merely "incidental" to the issuance of the injunction and allowing the court to resolve the issue of statutory damages without a jury. 249 F.2d at 80-81. As the trial court had issued an injunction in the case based on a finding of infringement, the First Circuit



held that the trial court could proceed to assess statutory damages consistent with its decision to enjoin the plaintiff from future infringements. *Id.* at 81. Then, without the slightest citation of authority or examination of the relevant statutory and decisional history, the First Circuit simply asserted:

[W]e regard the present complaint under 17 U.S.C. § 101(b) [1909 Act] as being entirely a claim invoking the equity jurisdiction of the district court, so that defendant had no right to demand a jury trial in any aspect of the claim.

*Id.* at 81.

The idea that jury trials could be denied where the legal relief was "incidental" to the equitable relief arose after the merger of law and equity, when some cases took the position that in a case where both legal and equitable causes were joined, the court could deny a jury trial where it had previously resolved the underlying factual issues in the course of granting or denying equitable relief, after which the legal issues became "incidental" to the court's equity jurisdiction. *See, e.g., Boucher v. DuBoyes, Inc.*, 137 F. Supp. 639 (S.D.N.Y. 1955). This permitted the courts to avoid potentially inconsistent decisions by taking away the jury trial, even on clearly legal issues, where the court had already ruled on equitable relief.

This position is untenable today in light of the Supreme Court's decisions in *Ross v. Bernhard*, 396 U.S. 531 (1970), *Dairy Queen, Inc. v. Wood*, 369 U.S. 469 (1962), and *Beacon Theatres, Inc. v. Westover*, 359 U.S. 500 (1959). In light of these decision, it is fair to say that in any case presenting both legal and equitable issues, the court should take every reasonable step to accord the parties a jury trial on the legal issues. For example, preliminary injunctions can be used and the issuance of permanent injunctions delayed if their issuance would preclude a jury trial. Only where a permanent injunction

must be issued or denied before the legal issues could be tried might there be preclusion of the right to a jury trial.

Secondly, *Palermo Cafe's* unsupported assertion that the action under 17 U.S.C. § 101(b) (1909 Act), was equitable is just that, an unsupported assertion that flies in the face of every statutory and decisional precedent. As such it deserves and should receive no credence, particularly in light of the overwhelming historical evidence to the contrary.

Thirdly, the First Circuit in *Palermo Cafe* cited two Supreme Court cases *Brady v. Daly*, 175 U.S. 148 (1899), and *F.W. Woolworth Co. v. Contemporary Arts, Inc.*, 344 U.S. 228 (1952), in support of its conclusion. *Brady*, however, so strongly supports the conclusion that an action for statutory damages is a legal action that it is almost impossible to understand how the *Palermo Cafe* opinion could construe it otherwise. In *Brady*, after a permanent injunction had been issued against infringing performances of a dramatic work in a different and entirely separate action, and the injunction had been sustained on appeal, the plaintiff brought a legal action in the Circuit Court, 175 U.S. at 148 (Reporter's syllabus: "This was an action brought at law . . ."), for damages for the infringing performances based on the then current statutory formula of an award of at least \$100 for the first infringing performance and at least \$50 for each subsequent performance under section 4966 of the Revised Statutes. Rev. Stat. title 60, ch. 3, §§ 4966, *printed in* THE REVISED STATUTES OF THE UNITED STATES, PASSED AT THE FIRST SESSION OF THE FORTY-THIRD CONGRESS, 1873-'74 957-60 (2d ed. 1878), codifying Act of July 8, 1870, ch. 230, § 101, 16 Stat. 212 (Sanger ed. 1871), *re-enacting* Act of August 18, 1856, 11 Stat. 138 (Minot & Sanger ed. 1859). A jury trial was waived, so this was never an issue before the court. 175 U.S. at 151 (Reporter's syllabus). Claiming this type of an award was a penalty that could only be awarded by a District Court, the defendant attacked the

jurisdiction of the Circuit Court. The Supreme Court held that these damages were not penal but compensatory, never saying a single word that could be construed as suggesting that they were equitable. In fact, the legal nature of the suit is quite clear from several other references in the Supreme Court's opinion. For example, the Court rejected defendant's contention that it was error to admit into evidence in the legal proceeding the record of the proceeding in equity for an injunction. 175 U.S. at 159-60.

Nor is there anything in *F.W. Woolworth Co. v. Contemporary Arts, Inc.*, 344 U.S. 228 (1952), *aff'g* 193 F.2d 162 (1st Cir. 1951), *aff'g Contemporary Arts, Inc. v. F. W. Woolworth Co.*, 93 F. Supp. 739 (D. Mass. 1950), that would support treating statutory damages as an equitable remedy. In *Woolworth*, an action brought after the merger of law and equity in copyright cases, the Supreme Court equated statutory damages with legal damages, and stated that the purpose of statutory damages was to permit a recovery to be made where the proof of the amount of actual damages might not have a satisfactory degree of legal certainty, 344 U.S. at 232-33, an analysis that is incompatible with the view of statutory damages as a form of equitable relief. Nothing in the Supreme Court's opinion in *Woolworth*, or in the other courts' opinions for that matter, indicate that it even considered the question of whether statutory damages were a legal equitable remedy.

Similarly, the district court opinion in *Palermo Cafe* had summarily stated that "Congress made it plain that the amount of just damages is to be fixed by a judge without a jury," citing *L.A. Westermann Co. v. Dispatch Printing Co.*, 239 U.S. 100 (1919) and *F.W. Woolworth Co. v. Contemporary Arts, Inc.*, 344 U.S. 228 (1952). *Westermann* held that statutory damages were compensatory rather than penal in nature, discussed the relationship of the maximum and minimum amounts in rela-

tion to the recommended multiplication table calculations, and traced the genealogy of the 1909 Act's statutory damages provision back to those of the 1856 Act and other earlier copyright acts. As we have seen, proceedings under these provisions were invariably legal, thus *Westermann* in fact refutes the proposition for which it is cited by the district court in *Palermo Cafe*. Certainly, neither *Westermann* nor *Woolworth* ever made the holdings the district court attributed to them.

It should be reiterated that the arguments that the use of the word "court" in section 504(c) makes an action for statutory damages equitable must be rejected on the authority of *Curtis v. Loether*, 415 U.S. 189 (1974), which held that an action for the damages provided by a statute was legal rather than equitable even though the statute provided the "court" should assess the damages.<sup>9</sup>

Finally, the differences between the Copyright Act's statutory damage provisions and the penal provision held to be equitable in *Tull v. United States*, 481 U.S. 412 (1987), should be noted. *Tull* held that although there was a Seventh Amendment right to a jury trial on the issue of liability for a violation of the Clean Water Act, fixing the amount of the penalty did not require a jury trial under the Seventh Amendment. First, the penalty in *Tull* went entirely to the government, while statutory damages go entirely to the injured copyright proprietor. As pointed out earlier, it is precisely for this reason that the Supreme Court in *Brady v. Daly*, 175 U.S. 148 (1899) held that an action to recover a monetary award under

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9. Analysis of the decisions subsequent to *Palermo Cafe* denying the right to a jury trial have been omitted due to space limitations and the fact that they all can be traced, mediately or immediately back to *Palermo Cafe*. Further, none of these precedents made any effort to confront the historical evolution of the statutory damage provisions and provide any analysis other than the arguments discussed above.



Rev. Stat. § 4966 (minimum recovery per infringing performance established; all monies to be paid to the copyright owner) should be regarded as an action for damages and "has nothing in the nature of a *qui tam* action about it, we think it provides for the recovery of neither a penalty nor a forfeiture." 175 U.S. at 154-55. In discussing Rev. Stat. § 4966, *Brady* also held:

Where a statute provides . . . for a recovery of damages for an act which violates the rights of the plaintiff and gives the right of action solely to him, the fact that it also provides that such damages shall not be less than a sum certain, and may be more, if proved, does not, we think, transform it into a penal statute.

*Id.* at 156. Section 504(c) can be no more a penal statute than the one at issue in *Brady*. Statutory damages simply are not a penalty, they are damages. Even though statutory damages may be said to penalize an infringer for its infringing conduct and may serve to deter future infringements, the fact that they compensate or even over-compensate the copyright owner for the injury inflicted by the infringement is unavoidable.

Second, the early copyright statutes provide the type of indisputable legal ancestry for the statutory damage provisions of § 504(c) of the Copyright Act that simply did not exist for the penalty provision of the Clean Water Act at issue in *Tull*. For this reason also *Tull* is not applicable to § 504(c) of the Copyright Act.

**VII. Statutory Damages Do Not Exceed the Limits of a Jury**

Under *Ross v. Bernhard*, 396 U.S. 531, 538 n. 10 (1970), the third test for the right to a jury trial is "the practical abilities and limitations of juries." *Id.* at 538, n.10. This concern seems to have been intended to address the problem of litigation that might be so lengthy and technically complex that no jury could sit through it or understand it. This question has surfaced in such cases

as *Zenith Radio Corp. v. Matsushita Electric Industrial Corp.* (*In re Japanese Electronic Products Antitrust Litigation*), 478 F.Supp. 889 (E.D.Pa. 1979), *rev'd*, 631 F.2d 1069 (3d Cir. 1980) (2-1). In *Zenith*, the trial court held that a jury was required by the Seventh Amendment in a case alleging an illegal conspiracy under the anti-trust and anti-dumping laws. The case was expected to take a year to try, and nine years of discovery had produced millions of documents and over 100,000 pages of depositions. The Third Circuit reversed, holding that under these circumstances a jury would not be able to render a rational decision. These type of circumstances are simply irrelevant to the case at bar.

## CONCLUSION

The relevant constitutional tests all demonstrate that the Seventh Amendment's guarantee that the right to a jury trial shall be preserved in actions at law requires that the denial of a jury trial on the issue of statutory damages must be tried to a jury upon a timely request by a party. The relevant historical inquiry into pre-merger custom clearly establishes that the statutory damage provisions of today's Copyright Act are the direct descendants of the purely legal monetary remedies for infringement of copyright that existed in 1791. Consequently, statutory damages are a legal rather than equitable remedy, and, as such, a remedy to which the Seventh Amendment preserves the right to a trial by jury. Moreover, the nature of the remedy, a monetary award to the copyright owner as compensation for the tort of copyright infringement, smacks of law rather than equity. Finally, there is nothing inherent in the nature of statutory damages that precludes their being determined by a jury.